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ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:

ACWH

NO.

DATE

21 December 1954

| TO | ROOM NO. | DATE | | OFFICER'S INITIALS | COMMENTS |
|---|----------------|------------|-------|--------------------|---|
| | | REC'D | FWD'D | | |
| 1. Chief, Cover Division, Plans/FI [] | L-1708 | | | [] | By Hand |
| 2. FBI | | | | | 1 2 and 3 FBI |
| 3. BOSTON | | | | | 22 Dec, not seen by 2 and |
| 4. | | | | | [] called and said he might want memo back. If so, he will |
| 5. | | | | | advise. |
| 6. [] | | 22 Dec. 22 | | [] | |
| 7. | | | | | |
| 8. [] | 1009 BARTON | | | | |
| 9. | | | | | |
| 10. | | | | | |
| 11. | | | | | |
| 12. | | | | | |
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| 14. | | | | | |
| 15. | | | | | |

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
2003

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21 December 1954

MEMORANDUM FOR: Special Assistant to the Director (Mr. Jackson)

SUBJECT: Current status of negotiations between Guatemalan Government and Insurance companies in re the Sinking of the SS SPRINGFJORD.

1. The British freighter SS SPRINGFJORD, which was sunk in the harbor of San Jose, Costa Rica on June 27, was insured with Norskelloyd, a Norwegian subsidiary of Lloyd's, for 170,000 pounds (\$476,000). The cargo as well as the ship was a total loss, and a preliminary report placed the damages for the cargo at \$1,592,000. However, the 78 American insurance companies who shared underwriting for the cargo made a final settlement with the owners for \$1,250,386. The maximum total claim, therefore, which can be brought against the Guatemalan Government for both ship and cargo is \$1,726,386.

2. On October 14, at the request of WH Division, [] (Chief, Cover Division, Plans/PI) interviewed a high official of one of the largest insurance companies located on the East Coast. This official stated that his company had participated for \$128,939, which he regarded as "chicken feed" (the two other companies bearing the main loss were Boston, \$632,762; and P-W, \$488,700) and he was eager to be of assistance. He said that the claims of the 78 underwriters of the cargo had been taken over by Biggam, Engler, Jones & Houston, one of the leading admiralty firms in the U.S., and that Mr. Oscar Houston is handling the matter on their behalf.

3. On October 13 the following cable (DIR 21224, OUT 83565) was sent to Station Guatemala:

1. Urge CALLIGERIS approach representative British Government immediately in attempt make honorable settlement claim on SPRINGFJORD. Headquarters authorizes CALLIGERIS negotiate immediate settlement \$900,000 for ship and cargo.

2. CALLIGERIS should be asked to approach the British along the line that while the presence of any ship in a port during a revolution subjects the ship to unwarranted risk, he would like to show his good faith by payment of a reasonable indemnity for the loss. He should make it plain that his Government's finances are in a disastrous condition and that \$900,000 represents great sacrifice on part of Guatemala and is a gesture of friendship towards British Government.

CALLIGERIS adopted this suggestion and the Guatemalan Foreign Minister

but did not mention any specific amount
made an oral communication to the British Legation in the above sense. (GUAT 344, IN 15921, 10 October 1954). As of October 23 (GUAT 356, IN 17356) the British had not yet replied to the Foreign Minister's approach. The first British note to the Guatemalan Government (July 9; GUAT 356) had taken the position that the circumstances of the sinking were such that the British Government "reserved the right in due course to present, on behalf of the owners, a claim for compensation", but no sum was mentioned.

4. Since October 23 nothing further has been learned from any source, either by CIA or the State Department, regarding progress of the negotiations either with the British Government or with Bigham, Engler, Jones & Houston. On December 17 the [] was requested to cable developments. As no reply has yet been received, it is inferred that no developments are known to have taken place, and that further local investigation will be required. It appears possible that both the British Government and Bigham, Engler, Jones & Houston may have concluded that it would not be in their best interests to press their claims too vigorously until the political and economic situation in Guatemala has become more stable.

5. Further developments will be reported to you as soon as possible.

[]
ACWH

*
[] secretary
was asked by phone Dec. 22
to insert this addition
and did so

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